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**Gov's Off - Public Empl Retirement Syst  
Administration**

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**Description:**

PERSI administers a retirement plan mandatory for all eligible state and school district employees and for employees of political subdivisions which have elected to participate. The plan also provides separation, disability, death and survivor benefits. PERSI also administers the sick leave/medical insurance reserve for state and school retirees and the former Firemen's Retirement Fund.

**Major Functions and Targeted Performance Standard(s) for Each Function:**

1. Provide secure retirement benefits by collecting, maintaining and distributing retirement funds as specified by law.

- A. Keep 98% of employer contribution accounts receivable current.

Actual Results			
1996	1997	1998	1999
99.25%	99.14%	99.37%	99.44%
Projected Results			
2000	2001	2002	2003
98.80%	99.00%	99.20%	99.40%

- B. Retirement contributions collected.

Actual Results			
1996	1997	1998	1999
\$293,820,000	\$306,860,000	\$285,871,000	\$288,129,000
Projected Results			
2000	2001	2002	2003
\$307,094,800	\$314,644,100	\$328,803,100	\$343,599,200

- C. Pay all separation benefits within three weeks.

Actual Results			
1996	1997	1998	1999
5,300 (100%)	4,710 (100%)	7,027 (100%)	6,386 (100%)
Projected Results			
2000	2001	2002	2003
6,000	6,000	6,250	6,400

- D. Pay all new retirees on the first of the month following their retirement date.

Actual Results			
1996	1997	1998	1999
1,300 (100%)	1,420 (100%)	1,440 (100%)	1,432 (100%)
Projected Results			
2000	2001	2002	2003
1,550	1,600	1,650	1,700

- E. Benefits paid (retirement, separations, disability)

Actual Results			
1996	1997	1998	1999
\$172,700,000	\$187,640,000	\$205,589,000	\$219,600,000
Projected Results			
2000	2001	2002	2003
\$234,533,000	\$250,950,000	\$268,517,000	\$287,313,000

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F. Keep total administrative expense less than 2% of total expense.

Actual Results			
1996	1997	1998	1999
1.47%	1.45%	1.28%	1.37%
Projected Results			
2000	2001	2002	2003
1.27%	1.19%	1.12%	1.10%

G. Keep administrative expense below .15% (15 basis points) of total asset market value.

Actual Results			
1996	1997	1998	1999
0.07%	0.06%	0.05%	.05%
Projected Results			
2000	2001	2002	2003
0.05%	.06%	.05%	.05%

2. Assist our members and employer units by providing high quality service, retirement education and information.

A. Increase ratio of members to PERSI staff by 1% per year.

Actual Results			
1996	1997	1998	1999
1,919/1 (+2%)	1,959/1 (+2%)	2,006/1 (+2%)	2,067/1 (+3%)
Projected Results			
2000	2001	2002	2003
2,110/1 (+2%)	2,154/1 (+2%)	2,198/1 (+2%)	2,242/1 (+2%)

B. Active members.

Actual Results			
1996	1997	1998	1999
57,400	57,700	58,300	60,100
Projected Results			
2000	2001	2002	2003
61,000	61,900	62,800	63,700

C. Inactive Members.

Actual Results			
1996	1997	1998	1999
14,500	15,500	16,500	17,000
Projected Results			
2000	2001	2002	2003
17,500	18,000	18,500	19,000

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D. Retired members.

Actual Results			
1996	1997	1998	1999
20,200	20,850	21,500	22,100
Projected Results			
2000	2001	2002	2003
22,800	23,500	24,200	24,900

E. Total system membership including actives, retirees, and inactive.

Actual Results			
1996	1997	1998	1999
92,100	94,050	96,300	99,200
Projected Results			
2000	2001	2002	2003
101,300	103,400	105,500	107,600

F. Number of PERSI staff FTP.

Actual Results			
1996	1997	1998	1999
48.00	48.00	48.00	48.00
Projected Results			
2000	2001	2002	2003
48.00	48.00	48.00	48.00

G. Estimated number of call-in customers (all three offices).

Actual Results			
1996	1997	1998	1999
53,000	54,260	62,500	63,200
Projected Results			
2000	2001	2002	2003
64,460	65,750	67,070	68,410

H. Total number of employer units.

Actual Results			
1996	1997	1998	1999
619	618	614	617
Projected Results			
2000	2001	2002	2003
622	626	630	630

I. Increase member attendance at PERSI workshops/presentations by 25% per year. \*Temporary decrease due to field staff involvement in galena project unavailable to do presentations.

Actual Results			
1996	1997	1998	1999
1,091	1,745 (+60%)	2,269 (+30%)	1,964 (-13%)*
Projected Results			
2000	2001	2002	2003
3,545	4,431	5,539	6,923

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J. Keep benefit estimates within 3% of the actual benefit calculation.

Actual Results			
1996	1997	1998	1999
3.3% difference	3.1% difference	3.3% difference	2.7% difference
Projected Results			
2000	2001	2002	2003
2.5% difference	2.3% difference	2.1% difference	2.0% difference

K. Number of benefit estimates done by PERSI field representatives.

Actual Results			
1996	1997	1998	1999
4,074	5,571	6,160	6,940
Projected Results			
2000	2001	2002	2003
7,550	8,100	8,700	9,300

L. Maintain turnaround time of one week to microfilm documents.

Actual Results			
1996	1997	1998	1999
1 week	2 weeks	1.5 weeks	1.3 weeks
Projected Results			
2000	2001	2002	2003
1 week	1 week	.5 weeks	.5 weeks

M. Number of documents microfilmed during the year.

Actual Results			
1996	1997	1998	1999
187,500	186,000	215,000	197,000
Projected Results			
2000	2001	2002	2003
200,000	180,000	175,000	170,000

N. Reduce the number of manually-entered data records by 50% (to 180,000) between the years 1996 and 2005.

Actual Results			
1996	1997	1998	1999
274,400	283,600	350,600	348,000
Projected Results			
2000	2001	2002	2003
300,000	250,000	220,000	210,000

**Program Results and Effect:**

PERSI administers a Defined Benefit (DB) retirement plan providing secure, long-term retirement benefits for career public service employees. PERSI's members and beneficiaries receive direct benefits through retirement, disability, and death benefit programs.

Taxpayers benefit from PERSI programs because:

- 1) The DB plan helps to attract and retain public employees, creating a more stable workforce to provide needed public services more reliably.
- 2) PERSI's pooling of risks and benefits over a large employee/employer base provides economies of scale, as well as consistent professional management of assets and benefits.
- 3) The structure of the DB plans provides retirement benefits to career employees in a cost-effective manner. Gains from favorable investment results are returned to employers/employees in the form of reduced contribution rates, which lowers costs government-wide.
- 4) The DB plans replace a portion of public employees' income after retirement. By providing guaranteed benefits, these plans help PERSI's retirees to be financially self-sufficient, and therefore, less likely to be dependent upon public welfare programs.

PERSI's Retirement Board, as well as the entire agency, exists for one reason: to service the interests of the system's beneficiaries. As fiduciaries, PERSI is entrusted to prudently and accurately collect, invest, maintain, and distribute retirement funds as specified by law.

For more information contact Jim Monroe at 334-2451, ext. 231.

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## Gov's Off - Public Empl Retirement Syst

### Portfolio Investment

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#### Description:

The purpose of the investment of the Trust assets is to provide funds to meet the liabilities of the Public Employee Retirement System of Idaho (PERSI) while incurring the appropriate amount of risk consistent with attaining that goal.

#### Major Functions and Targeted Performance Standard(s) for Each Function:

1. Investment of the PERSI Trust assets.
  - A. Meet 8% long-term hurdle rate of return on investments.

Actual Results			
1996	1997	1998	1999
18.40%	19.60%	17.60%	11.60%
Projected Results			
2000	2001	2002	2003
8.00%	8.00%	8.00%	8.00%

- B. Annual portfolio investment income based on market value, net of fees.

Actual Results			
1996	1997	1998	1999
\$582,270,000	\$756,770,000	\$827,544,700	\$638,351,800
Projected Results			
2000	2001	2002	2003
\$527,953,200	\$574,827,400	\$632,310,200	\$696,212,100

- C. Ending portfolio market value

Actual Results			
1996	1997	1998	1999
\$3,872,310,000	\$4,749,500,000	\$5,655,524,000	\$6,355,646,000
Projected Results			
2000	2001	2002	2003
\$6,843,184,000	\$7,527,502,000	\$8,280,253,000	\$9,125,050,000

- D. Number of investment fund managers at year-end.

Actual Results			
1996	1997	1998	1999
23	25	25	28
Projected Results			
2000	2001	2002	2003
30	30	30	30

- E. Number of investment fund managers hired/fired during the fiscal year.

Actual Results			
1996	1997	1998	1999
5/3	3/1	4/4	3/0
Projected Results			
2000	2001	2002	2003
3/1	1/1	1/1	1/1

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F. Keep risk (three-year standard deviation of return) at or below 12.5%

Actual Results			
1996	1997	1998	1999
6.16%	6.34%	8.00%	11.40%
Projected Results			
2000	2001	2002	2003
12.50%	12.50%	12.50%	12.50%

G. Keep contribution rate stable (with any increases due only to benefit plan enhancements).

\*Continue temporary decrease 1% permanent.

Actual Results			
1996	1997	1998	1999
Stable	Stable	Temp decrease	Temp decrease*
Projected Results			
2000	2001	2002	2003
Pending	Pending	Pending	Pending

H. Employer Contribution Rate

Actual Results			
1996	1997	1998	1999
11.61%	11.61%	9.77%	9.77%
Projected Results			
2000	2001	2002	2003
Pending	Pending	Pending	Pending

I. Employee Contribution Rate

Actual Results			
1996	1997	1998	1999
6.97%	6.97%	5.86%	5.86%
Projected Results			
2000	2001	2002	2003
Pending	Pending	Pending	Pending

J. Reduce the amortization period for the unfunded liability on or ahead of the adopted schedule.

Actual Results			
1996	1997	1998	1999
13.6 years	2.6 years	108.6%	anticipate full funding
Projected Results			
2000	2001	2002	2003
full funding	full funding	full funding	full funding

K. Pay retirees the maximum Cost of Living Allowance (COLA) allowable by law.

Actual Results			
1996	1997	1998	1999
2.60% (max.)	2.90% (max.)	2.20% (max.)	1.60% (max.)
Projected Results			
2000	2001	2002	2003
100% of CPI	100% of CPI	100% of CPI	100% of CPI

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## **Gov's Off - Public Empl Retirement Syst**

### **Portfolio Investment**

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#### **Program Results and Effect:**

The primary funding goal of PERSI is to maintain a well-funded system along with assuring stable contribution rates for employee and employer members, while granting annual Cost of Living Adjustments (COLAs) to retirees.

For more information contact Jim Monroe at 334-2451, ext. 231.



**Description:**

PERSI administers a 401K retirement savings program, which is available to all State employees.

**Major Functions and Targeted Performance Standard(s) for Each Function:**

1. Administer the Idaho "Super-Saver" 401K plan.
  - A. Recruit 20% of State employees by the year 2000 (approximately 3,200/16,000).

Actual Results			
1996	1997	1998	1999
1,323 (8%)	1,870 (11%)	2,161 (13%)	2,743 (17%)
Projected Results			
2000	2001	2002	2003
3,000 (19%)	3,500 (22%)	4,000 (25%)	4,500 (28%)

- B. Dollar value of employee 401K accounts.

Actual Results			
1996	1997	1998	1999
\$1,900,000	\$4,800,000	\$9,500,000	\$14,800,000
Projected Results			
2000	2001	2002	2003
\$20,000,000	\$27,000,000	\$35,000,000	\$45,000,000

**Program Results and Effect:**

The State 401K plan provides a voluntary retirement savings program to all State employees, who benefit from tax deferral, investment flexibility, and automatic payroll deductions. Taxpayers benefit by having a public workforce that is motivated to contribute toward their own retirement and plan for personal financial security.

For more information contact Jim Monroe at 334-2451, ext. 231.